

**CITY OF SUNNYVALE
BUDGET SUPPLEMENTS
FY 2007/2008**

Eight budget supplements are presented for Council consideration in the FY 2007/2008 Recommended Budget. There are two general types of requests: service level enhancements and outside group funding. For FY 2007/2008, there are two service level enhancement requests, which are shown in the following table:

**Table I
FY 2007/2008
Service Level Enhancements**

<u>Bud. Supp. No.</u>	<u>Description</u>	<u>General Fund Request</u>	<u>One- Time</u>	<u>On- Going</u>	<u>20-Year Impact</u>	<u>City Manager's Recommend.</u>
1.	Murphy Ave. Enhanced Maintenance & Tree Lighting	\$48,500	X		\$48,500	Yes
2.	Parks Ornamental Water Service Level Restored	24,850		X	689,350	No

These two budget supplements would change the level of service provided by the City. For this reason, it is recommended that General Fund Service Level Set-Aside Reserves be used to finance any service level enhancement that is being recommended. The General Fund Service Level Set-Aside is an appropriate financing source based on its definition in the General Plan Fiscal Sub-Element:

“This set-aside fund represents funds that are available to increase service levels or add new services on an ongoing basis. The Service Level Set-Aside was established at \$500,000 increasing with inflation each year. It is important to note that, once identified for ongoing purposes, the funds are transferred to the appropriate program and the Set-Aside is reduced accordingly in the Long Term Financial Plan.”

The City Manager is recommending that Budget Supplement No. 1 for Murphy Avenue Enhanced Maintenance and Tree Lighting be funded for one year from the Service Level Set-Aside Reserve. Budget Supplement No. 2, Parks Ornamental Water Features, is not being recommended at this time.

The second type of budget supplement request is for outside group funding. These supplements are fundamentally different from the two above in that they represent services provided by outside groups as opposed to the City. There are six such budget supplements representing ten different agencies requesting General Fund support for FY 2007/2008. They represent a variety of agencies providing social services, recreational services, and/or services that promote training and community engagement. A total of \$131,227 is requested by the ten agencies. Staff is recommending that the total contribution to these agencies from the General Fund not exceed \$100,000.

The following two tables present the outside group funding requests for FY 2007/2008. The first table, represented by Budget Supplement No. 3, addresses five human services agencies which were recommended by the Housing and Human Services Commission (HHSC) to receive limited Community Development Block Grant (CDBG) funding.

Table II
FY 2007/2008
Outside Group Funding

Bud. Supp. No.	Description	General Fund Request
3.	Housing & Human Services Commission's <u>Recommendation for Outside Group Funding:</u>	
	a. Sunnyvale Community Service	30,471
	b. Support Network	1,636
	c. EHC	2,888
	d. Second Harvest Food Bank	280
	e. Cupertino Community Services	767
	Total:	\$36,042

Earlier this year, Council established its priorities for funding outside groups serving members of the community with low and moderate incomes in FY 2007/2008. Those priorities were as follows:

- Senior Services
- Youth Services
- Handicapped Services
- Employment Training
- Substance Abuse Services

Subsequently, Council identified the following specific “gaps” in these services:

- After-school programs for “at-risk youth”
- Transportation services for seniors, and
- Mental health services for households

HHSC took Council’s priorities into consideration when recommending dispersal of CDBG monies. Each of the agencies in this table serves a clientele at least 51% of which have low to moderate incomes. Given the reduced amount of CDBG funding available this year and the services each of these agencies provide to the community, the HHSC is recommending that each receive additional financial support from the General Fund. The total requested amount for this group of agencies is \$36,042. If Council chooses to fund the entire requested amount, \$63,958 would remain to be dispersed amongst the next group.

Table III presents Budget Supplements No. 4 through No. 8. These five outside agencies are requesting a total of \$95,185. These agencies are distinguished from the other outside group funding budget supplements shown above because they neither represent City services (e.g., park water features or street maintenance), nor do they qualify this year for CDBG funding. On the other hand, all provide worthy services that are supported by the City’s General Plan. (See individual supplements for detailed information).

Table III
FY 2007/2008
Outside Group Funding

Bud. Supp. No.	Description	General Fund Request
4.	Case Management for Seniors	\$57,147
5.	Sunnyvale Alliance Soccer Club Fee Waiver Program	5,000
6.	Junior Achievement	10,740
7.	Leadership Sunnyvale	10,000
8.	Euphrat Museum of Art’s After-School Arts Program	12,298
Total:		\$95,185

These five agencies are competing for the same limited funding (\$100,000) as those agencies shown above in Table II. One of the

difficulties in allocating monies to outside groups is the subjectivity involved in the process, whether that be in terms of judging the relative value of the services provided by a particular agency or the relative need of one agency as compared to another (i.e., those considered to provide the most valuable services may not be those in greatest need of funding). With this in mind, it might seem logical to consider established funding levels for these various groups on a multi-year basis, precluding the need to revisit these difficult decisions each year. The downside to this approach is that the list of agencies requesting General Fund support has the potential to change each year.

While many of the groups listed above have requested funding for many years, there are many other community groups that if they were aware of the City's practice of supporting outside agencies might apply for funding as well. Similarly, the City's financial posture could change, resulting in fewer dollars available for outside group funding. As a result, staff recommends that Council's allocation of General Fund monies to outside groups be made annually.